

# **EXHIBIT B**



# City of Austin

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**Aviation Department**

**Austin-Bergstrom International Airport**

3600 Presidential Blvd., Ste. 411, Austin, Texas 78719

512/530-2242 Fax: 512/530-7686

November 7, 2019

Mr. James Burchetta

(email/[JBurchetta@oaktreecapital.com](mailto:JBurchetta@oaktreecapital.com))

Highstar Capital IV, L.P.

277 Park Avenue, 45<sup>th</sup> Floor

New York, New York 10172

Re: South Terminal Lease and Concession Agreement at Austin-Bergstrom  
International Airport (South Terminal Lease)

Dear Mr. Burchetta:

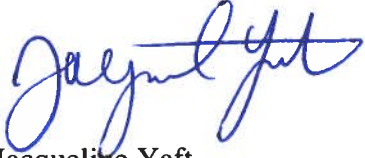
Please accept this letter as written notice from the City of Austin (City) of its desire to acquire the South Terminal leasehold interest. In acquiring the leasehold interest for aviation purposes, the City, acting through its Departments of Aviation and Real Estate Services, disclose by this letter the initial procedure for appraising the leasehold interest and for handling personal negotiations with Highstar Capital IV, L.P. (Highstar) and Lonestar Airport Holdings, LLC (Lonestar).

We believe at this stage of the purchase process it is mutually beneficial to confirm that based on the valuation determined pursuant to Article 25 of the South Terminal Lease and costs the City will incur to repair the South Terminal facility, \$10 million dollars is appropriate compensation to purchase said interest. In the event the condition of the property changes for any reason, the City shall have the right to withdraw this valuation.

At this time, the City is not inclined to approve any expansion of the South Terminal facility. Accordingly, the City wishes to acquire the leasehold interest of the South Terminal facility to regain local control of the facility and maximize the use of it throughout the development of the 2040 Airport Master Plan as well as improve customer service for all passengers traveling through the South Terminal and Barbara Jordan Terminal.

If you wish to accept this bona fide valuation, please contact Susana Carbajal at [susana.carbajal@austintexas.gov](mailto:susana.carbajal@austintexas.gov) as soon as possible so the next steps may be started in the purchasing process. If no response is received by Wednesday, November 13, the City will take alternative action as necessary. The City reserves all of its rights under the South Terminal Lease, all applicable law, and equity.

Sincerely,



Jacqueline Yaft  
Executive Director  
Department of Aviation  
City of Austin

Cc: Jeff Pearse (jpearse@austinsouthterminal.com)  
Chief Executive Officer  
Lonestar Airport Holdings, LLC